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## County of Los Angeles COMMUNITY AND SENIOR SERVICES

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*Enriching Lives Through Effective And Caring Service*



css.lacounty.gov

Cynthia D. Banks  
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Chief Deputy

May 05, 2015


The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

18 May 5, 2015

  
PATRICK OZAWA  
ACTING EXECUTIVE OFFICER

### **DELEGATE AUTHORITY TO AMEND STANDARD CONTRACT LANGUAGE FOR DISPUTE RESOLUTION PROGRAM (DRP) CONTRACTS WITH THE OFFICE OF THE LOS ANGELES CITY ATTORNEY (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

#### **SUBJECT**

Community and Senior Services (CSS) seeks delegated authority to: 1) amend the standard County contract provision for Indemnification to use mutual indemnification with the City of Los Angeles in two current, and any future, Dispute Resolution Program (DRP) Contracts with the Office of the Los Angeles City Attorney (City Attorney) and allow City Attorney to meet the insurance requirements with the City's program of self-insurance; 2) delete, modify or substitute specific standard County contract provisions, listed in Attachment I, in two current DRP Contracts with the City Attorney and in any future DRP Contracts with the City Attorney that provide DRP program services.

#### **IT IS RECOMMENDED THAT THE BOARD:**

1. Delegate authority to the Director of CSS, or designee, to amend the standard County contract Indemnification provision and two additional provisions, as listed in Attachment I, in two current DRP Contracts with the City Attorney that provide DRP program services to Los Angeles County residents as well as in any future DRP Contracts with the City Attorney that provide DRP services, as necessary.
2. Delegate authority to the Director of CSS, or designee, to delete, modify or substitute other specific standard County contract provisions, as listed in Attachment I, in two current DRP Contracts with the City Attorney to provide DRP program services to Los Angeles County residents as well as in any other future DRP Contracts with the City Attorney that provide DRP services, as necessary.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

CSS is requesting delegated authority from the Board to amend the standard County contract Indemnification provision and two additional provisions in two current DRP Contracts as well as in any future CSS Contracts with the City Attorney. CSS is also requesting to amend, delete, modify or substitute standard contract provisions in the aforementioned with the City Attorney, as necessary, for DRP program services. With the assistance of County Counsel and the Chief Executive Officer (CEO) Risk Management, mutual indemnification provisions and self-insurance provisions were drafted to meet the County's risk requirements for these agreements. The contractual revisions in the recommended actions will affect only the City Attorney and not the duties of any subcontractors hired by the City of Los Angeles thereunder unless the City Attorney demonstrates that the subcontractor has contracting provisions substantially similar to the County's standard terms and conditions.

On June 17, 2014, the Board approved the recommendation for CSS to execute contracts with eight (8) non-profit organizations and four (4) governmental entities to provide conciliation, mediation, and arbitration services to individuals, businesses, and organizations that reside in Los Angeles County. The DRP program is composed of three (3) service categories: 1) Community, 2) Victim-Offender, and 3) Day of Hearing Civil Court. The program also provides services to at-risk youth through school, parent-child, and victim-offender mediations.

## **Implementation of Strategic Plan Goals**

The recommended actions support the Countywide Strategic Plan Goals: 1) Operational Effectiveness, 2) Fiscal Sustainability, and 3) Integrated Services Delivery.

## **FISCAL IMPACT/FINANCING**

The DRP program is funded through civil court filing fees pursuant to the California Dispute Resolution Program Act of 1986 that are collected in the DRP Special Fund established by the County. The estimated five-year cost for this program for Fiscal Years (FY) 2014-19 is \$10,450,000.

There is no impact on the County General fund, as the DRP program is fully financed by the DRP Special Fund. Funding for this program has been included in the department's FY 2014-15 Final Adopted Budget.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The current standard County contract Indemnification provision and two additional provisions need revisions to accommodate contracting with the City of Los Angeles, a self-insured governmental entity. CSS has worked with County Counsel and CEO/Risk Management to draft contract provision changes in the current and in any future DRP Contracts with the City Attorney, as necessary.

The DRP program has been successful in resolving over 3,000 disputes in FY 2013-14 alone. Los Angeles County residents continue to benefit from DRP program services, which include resolving common disputes such as consumer-merchant, personal injury, landlord-tenant, property damage, neighbor-neighbor, business-business, family/domestic, and workplace-related disputes. DRP program services are provided by trained volunteers and staff for disputes that have and have not entered the court system.

## **CONTRACTING PROCESS**

On November 20, 2013, CSS released a Request for Proposals (RFP) to solicit proposals from qualified non-profit organizations and governmental entities to provide dispute resolution services to Los Angeles County residents. As a result of the Board approval of the recommended proposers on June 17, 2014, CSS executed DRP Contracts with eight (8) non-profit organizations and four (4) governmental entities to provide dispute resolution services to Los Angeles County residents. CSS will continue to inform your Board of the execution of any new DRP Contracts.

## **MONITORING**

CSS will ensure that all approved contractors are monitored for contract compliance and adherence to administrative, programmatic, and fiscal requirements. All contractors will be monitored for programmatic compliance through the Department's Dispute Resolution Program (part of the Human Relations Branch) and the Contract Compliance Division.

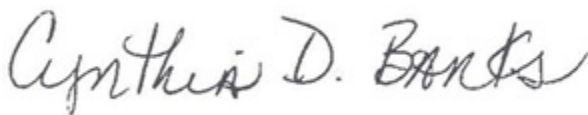
## **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The recommended actions will assure the continuation of DRP services to approximately 20,000 Los Angeles County residents each year.

## **CONCLUSION**

If you have questions, please contact Ms. Zuleyda Reyes at (213) 739-7394 or [zreyes@css.lacounty.gov](mailto:zreyes@css.lacounty.gov).

Respectfully submitted,



CYNTHIA D. BANKS

Director

CDB:OS:PG:CD:H  
K:ZR

Enclosures

c: Chief Executive Officer  
County Counsel  
Executive Officer, Board of Supervisors

## ATTACHMENT I

Identifying those sections to be modified in Dispute Resolution Program (DRP) Contract  
with the  
Office of the Los Angeles City Attorney

**The following Section 8.12 shall be deleted:**

### **8.0 STANDARD TERMS AND CONDITIONS**

#### **8.12 CONTRACTOR RESPONSIBILITY AND DEBARMENT**

##### **8.12.1 Responsible Contractor**

8.12.1.1 A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness as well as quality, fitness, capacity and experience to satisfactorily perform this Contract. It is County's policy to conduct business only with responsible contractors.

##### **8.12.2 Los Angeles County Code Chapter 2.202**

8.12.2.1 Contractor is hereby notified that, in accordance with Los Angeles County Code Chapter 2.202, if County acquires information concerning the performance of Contractor on this or other contracts that indicates that Contractor is not responsible, County may, in addition to other remedies provided in this Contract, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (5) years but may exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts Contractor may have with County.

##### **8.12.3 Non-responsible Contractor**

8.12.3.1 County may debar Contractor if the Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of a contract with County or a nonprofit corporation created by County, (2) committed an act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business

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integrity or business honesty, or (4) made or submitted a  
false claim against County or any other public entity.

**The above-referenced deleted Section 8.12 shall be replaced by the following:**

- 8.12 For the purposes of this Contract, Contractor shall abide by the requirements of City of Los Angeles Contracting Ordinance Section 421, as follows:

### **§421 Contractor Responsibility Ordinance**

Unless otherwise exempt in accordance with the provisions of the Ordinance, this Contract is subject to the provisions of the Contractor Responsibility Ordinance, Section 10.40 et seq. of Article 14, Chapter 1 of Division 10 of the Los Angeles Administrative Code, which requires Contractor/Consultant to update its responses to the responsibility questionnaire within thirty calendar days after any change to the responses previously provided if such change would affect Contractor's/Consultant's fitness and ability to continue performing the contract. In accordance with the provisions of this Ordinance, by signing this Contract, Contractor/Consultant pledges, under penalty of perjury, to comply with all applicable federal, state and local laws in the performance of this contract including, but not limited to, laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees. The Contractor/Consultant further agrees to: (1) notify the awarding authority within thirty calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that the Contractor/Consultant is not in compliance with all applicable federal, state and local laws in performance of this contract; (2) notify the awarding authority within thirty calendar days of all findings by a government agency or court of competent jurisdiction that the Contractor/Consultant has violated the provisions of Section 10.40.3 (a) of the Ordinance; (3) ensure that its subcontractor(s), as defined in the Ordinance, submit a Pledge of Compliance to awarding authorities; and (4) ensure that its subcontractor(s), as defined in the Ordinance, comply with the requirements of the Pledge of Compliance and the requirement to notify Awarding Authorities within thirty calendar days after any government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated Section 10.40.3 (a) of the Ordinance in performance of the subcontract.

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**The following Section 8.24.1 shall be deleted:**

### **8.24 GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE**

**8.24.1** Without limiting Contractor's indemnification of County, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in this Paragraph 8.24 and Paragraph 8.25 (Insurance Coverage) of this Contract. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Contract. County in no way warrants that the Required Insurance is sufficient to protect Contractor for liabilities which may arise from or relate to this Contract.

**The above-referenced deleted Section 8.24.1 shall be replaced by the following:**

**8.24.1** Without limiting Contractor's indemnification of County, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in this Paragraph 8.24 and Paragraph 8.25 (Insurance Coverage) of this Contract. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Contract. County in no way warrants that the Required Insurance is sufficient to protect Contractor for liabilities which may arise from or relate to this Contract. The Contractor, at its sole option, may satisfy all or any part of this insurance requirement through use of a program of self-insurance (self-funding of its liabilities). Certificate evidencing coverage or letter evidencing self-funding will be provided to County after execution of this Agreement at County's request.

**The following Section 8.26.2.2 shall be deleted:**

### **8.26 LIQUIDATED DAMAGES**

**8.26.2.2** Deduct liquidated damages. The parties agree that it will be

## ATTACHMENT I

### Identifying those sections to be modified in Dispute Resolution Program (DRP) Contract with the Office of the Los Angeles City Attorney

impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of Contractor to correct a deficiency within the specified time frame. The parties hereby agree that under the current circumstances a reasonable estimate of such damages per day per infraction shall be determined as follows: when this Contract is funded for one (1) Fiscal Year or Program Year term then a reasonable estimate of such damages per day per infraction shall be 0.25% of the Maximum Contract Sum; or when this Contract is funded for more than one (1) Fiscal Year or Program Year term then a reasonable estimate of such damages per day per infraction shall be 0.25% of the Maximum Annual Contract Sum. In either case, Contractor shall be liable to County for liquidated damages in said amount and this amount shall be deducted from County's payment to Contractor.

#### **The above-referenced deleted Section 8.26.2.2 shall be replaced by the following:**

8.26.2.2 Deduct liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of Contractor to correct a deficiency within the specified time frame. The parties hereby agree that under the current circumstances a reasonable estimate of such damages per day per infraction shall be determined as follows: when this Contract is funded for one (1) Fiscal Year or Program Year term then a reasonable estimate of such damages per day per infraction shall be .0025% of the Maximum Contract Sum; or when this Contract is funded for more than one (1) Fiscal Year or Program Year term then a reasonable estimate of such damages per day per infraction shall be .0025% of the Maximum Annual Contract Sum. In either case, Contractor shall be liable to County for liquidated damages in said amount and this amount shall be deducted from County's payment to Contractor.